

LEGISLATIVE COUNCIL
FILE COPY

Union Calendar No. 25

97TH CONGRESS
1ST SESSION

H. R. 1526

[Report No. 97-38]

To amend the Accounting and Auditing Act of 1950 to require ongoing evaluations and reports on the adequacy of the systems of internal accounting and administrative control of each executive agency, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 1981

Mr. BROOKS introduced the following bill; which was referred to the Committee on Government Operations

MAY 14, 1981

Additional sponsors: Mr. HYDE, Mr. DICKS, and Mr. EVANS of Delaware

MAY 14, 1981

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on February 2, 1981]

A BILL

To amend the Accounting and Auditing Act of 1950 to require ongoing evaluations and reports on the adequacy of the systems of internal accounting and administrative control of each executive agency, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 *SECTION 1. This Act may be cited as the “Federal*
4 *Managers’ Accountability Act of 1981”.*

5 *SEC. 2. Section 113 of the Accounting and Auditing*
6 *Act of 1950 (31 U.S.C. 66a) is amended by adding at the*
7 *end thereof the following new subsection:*

8 *“(d)(1)(A) To ensure compliance with the requirements*
9 *of subsection (a)(3) of this section, internal accounting and*
10 *administrative controls of each executive agency shall be es-*
11 *tablished in accordance with standards prescribed by the*
12 *Comptroller General, and shall provide assurances that—*

13 *“(i) all obligations and costs are in compliance*
14 *with applicable law;*

15 *“(ii) all funds, property, and other assets are*
16 *safeguarded against waste, loss, unauthorized use, or*
17 *misappropriation; and*

18 *“(iii) all revenues and expenditures applicable to*
19 *agency operations are properly recorded and accounted*
20 *for to permit the preparation of accounts and reliable*
21 *financial and statistical reports and to maintain ac-*
22 *countability over the assets.*

23 *“(B) The standards prescribed by the Comptroller Gen-*
24 *eral under this paragraph shall include standards to ensure*
25 *the prompt resolution of all audit findings.*

1 “(2) By December 31, 1981, the Director of the Office
2 of Management and Budget, in consultation with the Comp-
3 troller General, shall establish guidelines for the evaluation
4 by agencies of their systems of internal accounting and ad-
5 ministrative control to determine such systems’ compliance
6 with the requirements of paragraph (1) of this subsection.
7 The Director, in consultation with the Comptroller General,
8 may modify such guidelines from time to time as deemed
9 necessary.

10 “(3) By December 31, 1982, and by December 31 of
11 each succeeding year, the head of each executive agency
12 shall, on the basis of an evaluation conducted in accordance
13 with guidelines prescribed under paragraph (2) of this sub-
14 section, prepare a statement—

15 “(A) that the agency’s systems of internal ac-
16 counting and administrative control fully comply with
17 the requirements of paragraph (1); or

18 “(B) that such systems do not fully comply with
19 such requirements.

20 “(4) In the event that the head of an agency prepares a
21 statement described in paragraph (3)(B), the head of such
22 agency shall include with such statement a report in which
23 any material weaknesses in the agency’s systems of internal
24 accounting and administrative control are identified and the

1 *plans and schedule for correcting any such weakness are de-*
2 *scribed in detail.*

3 “(5) *The statements and reports required by this subsec-*
4 *tion shall be signed by the head of each executive agency and*
5 *transmitted to the President and the Congress. Such state-*
6 *ments and reports shall also be made available to the public,*
7 *except that, in the case of any such statement or report con-*
8 *taining information which is—*

9 “(A) *specifically prohibited from disclosure by*
10 *any provision of law; or*

11 “(B) *specifically required by Executive order to*
12 *be kept secret in the interest of national defense or the*
13 *conduct of foreign affairs,*

14 *such information shall be deleted prior to the report or state-*
15 *ment being made available to the public.*

16 “(6)(A) *The Inspector General of an executive agency*
17 *or, if no Inspector General exists for an executive agency, the*
18 *head of the internal audit staff, shall receive and investigate*
19 *any allegation that an employee of the agency provided false*
20 *or misleading information in connection with the evaluation*
21 *of the agency's systems of internal accounting and adminis-*
22 *trative control or in connection with the preparation of the*
23 *annual statement or report on the systems of internal ac-*
24 *counting and administrative control.*

1 “(B) If, in connection with any investigation under
2 subparagraph (A), the Inspector General or the head of the
3 internal audit staff, as appropriate, determines that there is
4 reasonable cause to believe that false or misleading informa-
5 tion was provided, he shall report that determination to the
6 head of the agency.

7 “(C) The head of the agency shall review any matter
8 referred to him under subparagraph (B) and shall take action
9 under chapter 75 of title 5, United States Code, or such other
10 disciplinary or corrective action as he deems necessary.”.

11 SEC. 3. Section 201 of the Budget and Accounting Act,
12 1921 (31 U.S.C. 11), is amended by adding at the end there-
13 of the following new subsection:

14 “(k) The President shall include in the supporting
15 detail accompanying each Budget submitted on or after Jan-
16 uary 1, 1982, a statement with respect to each department
17 and establishment of—

18 “(1) the original amount of appropriations re-
19 quested by the Office of the Inspector General of such
20 department or establishment, if any;

21 “(2) the changes made in such request by the
22 head of such department or establishment prior to the
23 submission of such request to the Director of the Office
24 of Management and Budget;

1 “(3) any further changes made in such request
2 prior to the submission of such Budget to the
3 Congress.”.

4 SEC. 4. Section 215 of the Budget and Accounting Act,
5 1921 (31 U.S.C. 23), is amended by adding at the end there-
6 of the following new sentences: “The head of each department
7 and establishment shall include with any such requests for
8 appropriations a report on the status and progress made in
9 having its accounting system approved by the Comptroller
10 General pursuant to section 112 of the Accounting and Au-
11 diting Act of 1950. Such reports shall be included in the
12 supporting detail accompanying each Budget submitted by
13 the President on or after January 1, 1982, under section 201
14 of the Budget and Accounting Act, 1921.”.

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